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MCO 12920.1B
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MARINE CORPS ORDER 12920.1B

From: Commandant of the Marine Corps
To: Distribution List

Subj: MANAGEMENT OF SENIOR EXECUTIVE SERVICE (SES) AND
OTHER SENIOR EXECUTIVE POSITIONS IN THE MARINE CORPS

Ref: (a) 5 CFR, Part 317
(b) SECNAVINST 12920.1B
(c) DoD Directive 1400.35
(d) SECNAVINST 5300.22C
(e) MCO P12000.11A

Encl: (1) Position Allocation and Establishment
(2) Recruitment and Selection
(3) Executive Compensation
(4) SES Performance Appraisal Process
(5) Awards
(6) Priority Precedence for SES Members and Senior Executives

1. Purpose. To revise policies and procedures for managing programs for the SES and other senior executives in the Marine Corps.

2. Cancellation. MCO 12920.1A and MCO 12920.2.

3. Background

a. The SES was established by Title IV of the Civil Service Reform Act (CSRA) of 1978 and became effective on July 13, 1979. In creating the SES, the CSRA envisioned a senior executive corps whose members have shared values, a broad perspective of government, and solid executive skills. The SES is a separate and distinct personnel system, set up as a "third" service, completely separate from the competitive and excepted services. The SES covers most managerial, supervisory, and policy-making positions above grade 15, or positions in level IV or V of the Executive Schedule, or an equivalent position, that are not required to be filled by Presidential appointment with Senate confirmation.

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b. Most SES operational responsibilities are assigned by law to the agencies. Agencies are accountable for managing their SES resources in compliance with law and regulation (reference (a)). Reference (b) establishes and provides policies and procedures governing management of the Department of the Navy (DON) SES program. The SES in the Marine Corps is an integral element of the DON SES program. It is our policy that the management of the SES shall be responsive to the needs, policies, and goals of the Department of Defense (DoD), the DON, and the Marine Corps.

c. In addition to the SES, the Marine Corps has designated other senior executive positions, which while classifiable above the GS-15 grade level, do not meet the strict criteria for inclusion in the SES. These positions include: Senior Level (SL) positions; Scientific and Professional (ST) positions; and Nonappropriated Fund (NAF) senior executive positions. The Marine Corps also has designated positions in the Defense Intelligence Senior Executive Service (DISES) and Defense Intelligence Senior Level (DISL). The Marine Corps goal is to have superior leadership in our civilian executive positions to provide experience, vision, innovative ideas, and dedication to assist in achieving the Marine Corps mission.

4. Applicability. This Order applies to all Marine Corps Headquarters staff agencies and field commands employing SES, SL, and ST positions. The procedures outlined in this Order include management oversight of SES, SL, and ST positions. Certain functions in this Order are not applicable to DISES and DISL positions which are under the cognizance of DoD and the Office of Naval Intelligence (reference (c)). Also, the procedures of this Order are not applicable to NAF senior executive positions except for the procedures established for executive compensation. NAF personnel management policy is covered in references (d) and (e), except NAF senior executives will follow the procedures in this Order for setting pay.

5. Policy

a. References (a) and (b) require the establishment of programs to ensure continuing excellence in the SES. Reference (b) calls for the establishment of DON Component Executive Resources Boards (ERBs) to exercise appropriate program planning and management responsibilities for the SES program. Effective resources management integrates decisions about executive position management, staffing, compensation, performance management, and training and development. The enclosures contain more specific information about several of these processes and their application in the Marine Corps.

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b. The Marine Corps Civilian Executive Resources Board (MCCERB) was established by MCO 12920.1A to review and make recommendations to the Commandant of the Marine Corps (CMC), the Assistant Commandant of the Marine Corps (ACMC), and the various Headquarters staff agencies and Marine Corps field commands regarding SES and senior executive program planning and management. The MCCERB will be chaired by the Deputy Commandant for Manpower and Reserve Affairs (DC M&RA), under whose cognizance, the SES program responsibility resides. The board membership will also include the incumbents of the positions of Deputy Commandant for Installations and Logistics; Deputy Commandant for Programs and Resources; and Counsel for CMC. Additional members may be added as required. The Marine Corps Command Deputy Equal Employment Opportunity (EEO) Officer will provide EEO advisory services as necessary. Technical Advisors will be appointed as desired.

6. Responsibilities

a. The MCCERB will do the following:

(1) Provide general oversight of the management of Marine Corps civilian executive resources.

(2) Ensure that the Marine Corps complies with the program requirements of the references regarding management of Marine Corps executive resources.

(3) Review nominations for salary adjustments for SES and other senior executives, including SL, ST, NAF senior executives, and DISES (see paragraph 6c). Provide recommendations to the CMC and ACMC for determination.

(4) Establish priority precedence of Marine Corps SES members and other senior executives for ACMC approval.

(5) Review and provide recommendations to the ACMC on nominations of SES members and senior executives for awards other than performance bonuses.

(6) Review and make recommendations on appeals and grievances brought by SES members and other senior executives.

(7) Act on such issues that may be brought before the board and that are clearly within the general management scope of the SES program or involve matters concerning other senior executives.

(8) Oversee the merit staffing process for civilian executive positions in the Marine Corps.

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(9) Approve qualification standards for executive personnel recruitment, and through the use of Ad Hoc Executive Resources Boards (AERBs), review the executive qualifications of each candidate for a position to be filled by a career appointee, and certify that the selectee is technically qualified for the position. The MCCERB will approve the proposed membership of the AERB.

(10) Coordinate on matters involving space allocation and the establishment of civilian executive positions in the Marine Corps. This includes the establishment of positions to be used for Intergovernmental Personnel Act (IPA) assignments created to serve as SES equivalents (i.e., the pay of the incumbent on the IPA assignment is equivalent to the ES pay scale). Positions for IPA assignments created to serve as SES equivalents must be submitted via the MCCERB for ACMC approval prior to hiring.

(11) Review and recommend actions on details of SES members for over 120 days. Ensure that notification of the approval is provided to the Office of Civilian Human Resources (OCHR). Notify OCHR when an SES member is detailed to unclassified duties.

(12) Perform other tasks related to civilian executive requirements and administration as may be directed by the CMC or ACMC.

b. The CMC or the ACMC may perform directly, any of the functions of the MCCERB, i.e., approve qualification standards, approve awards, etc., without review of the MCCERB.

c. Regarding DISES and DISL positions, the MCCERB will perform the responsibilities listed in 6a(1) through (7). The DON Civilian Intelligence Personnel Management System Executive Resources Board (CIPMS ERB) will perform the responsibilities in 6a(8) through (11).

d. DC M&RA (MPC) will support the MCCERB and the SES and senior executive program:

(1) Provide administrative support to the MCCERB and assist in the preparation, research, briefing, and retention of requisite documentation on SES and senior executive issues.

(2) Assist Headquarters staff agencies and field commands in all aspects of the SES and senior executive programs, i.e., position establishment, recruitment, performance management, compensation, awards, and training.

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(3) Monitor the SES and senior executive program, and bring matters as are appropriate to the attention of the MCCERB.


(4) Coordinate training needs with SES members and other senior executives and their supervisors.

(5) Administer the performance appraisal, salary adjustment, and awards processes.

(6) Prepare responses to external inquiries about SES and other senior executive issues.

e. The appropriate Civilian Human Resources Office/Human Resources Service Center, will provide necessary assistance in the recruitment, staffing, and training processes for SES and other senior executives, e.g., preparing vacancy announcements, processing personnel actions, etc.

7. Action. The procedures established in this Order are effective immediately.



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POSITION ALLOCATION AND ESTABLISHMENT

1. The Office of Personnel Management (OPM) allocates "spaces" to the heads of Federal agencies (DoD) on a biennial cycle as specified by law. The DoD in turn, makes specific allocations for SES, SL, and ST positions to the military departments and defense agencies. Within the DON, the overall allocation of spaces is apportioned among the SES components by the Department of the Navy Civilian Executive Resources Board (DONCERB) acting on behalf of the Secretary of the Navy (SECNAV), and based on DoD's distribution of an OPM biennial reallocation. The DONCERB may also establish advisory groups such as the DONCERB Advisory Group (DAG) to advise and administer on space allocations and other SES matters. In addition, concurrence of DON functional sponsors may be required. Out-of-cycle reallocations may be effected by the DONCERB or the Under Secretary of the Navy (UNSECNAV). SES Component Heads have full responsibility for management of their SES allocation within the constraints of reference (b) and policy issuances from the SECNAV, UNSECNAV, or the DONCERB. SL allocations are currently being centrally managed by the UNSECNAV.

2. The Chief of Naval Research (CNR) has been designated to coordinate the distribution of ST allocations in the DON. The CNR established the Navy ST Personnel Review Board (NST PRB) to establish, implement, and administer ST positions.

3. DISES allocations are controlled by DoD. The Chief of Naval Intelligence has been designated to coordinate the distribution of DISES positions within DON, and a DON CIPMS ERB is established to manage and administer DISES positions in the DON.

4. Requests for new SES and other senior executive requirements such as SL and ST, must include a position description and/or justification summary outlining the prospective duties and responsibilities as well as an organization chart(s) identifying the location of the proposed position. The MCCERB will review and prioritize potential SES and senior executive requirements and forward for CMC approval. New civilian executive positions approved by CMC will be forwarded to the appropriate official(s) described above for approval of a space allocation.

5. The Assistant Secretary of the Navy (Manpower and Reserve Affairs (ASN (M&RA))), with the concurrence of the functional sponsor, is the DON official authorized to establish SES and SL positions. After approval of an allocation, the ASN M&RA will establish and classify the position.

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RECRUITMENT AND SELECTION

1. The recruitment process for SES and SL positions will be conducted in accordance with references (a) and (b). The MCCERB is responsible for overseeing the merit staffing process for SES and SL positions. The DON CIPMS ERB oversees the merit staffing process for DISES positions, and the NST PRB oversees the process for ST positions. References (d) and (e) provide policy regarding the recruitment of NAF senior executives.

2. Civilian executive positions may be filled by variety of methods including merit searches; internal placement; reassignment within the DON executive community; transfers from other DoD components and other federal agencies; and reinstatement of former SES members and senior executives.

3. In determining the appropriate recruitment method, consideration should be given to such factors as providing career enhancing opportunities for current senior executives through selective reassignment; the identification of a sufficient number of highly qualified candidates to ensure appropriate selectivity; and such other factors as will promote the effective accomplishment of the Marine Corps' mission.

4. The recruiting organization must identify the qualifications standard (appropriate knowledges and skills) for effective performance in the position. The MCCERB will approve the qualifications standard. After approval of the qualifications standard, a vacancy announcement will be published by the Civilian Human Resources Service Centers.

5. An AERB will be established to review and rate and rank the candidates. The recruiting organization will propose the AERB membership for MCCERB approval. The AERB will include at least one Marine Corps General Officer (GO), one Marine Corps SE member, and one GO or SE member from outside the department/command where the vacancy exists.

6. After the best qualified candidates have been identified by the AERB, the Selecting Official will select a candidate from among the best qualified candidates. The Selecting Official for all Marine Corps civilian executive positions is the ACMC.

7. After selection is made, a request for approval to fill the position will be forwarded via the Deputy Assistant Secretary of the Navy (Civilian Human Resources) (DASN (CHR)), to the functional sponsor and the UNSECNAV. In the case of SES positions, if it is the selectee's initial career appointment to the SES, the selectee must first have his/her executive core qualifications (ECQ's) reviewed and approved by an OPM Qualifications Review Board (QRB) before appointment to an SES position. After QRB approval of the ECQ's, the selectee may be appointed to the SES.

EXECUTIVE COMPENSATION

1. The procedures in this Order for adjusting the pay of civilian executives are applicable to SES members, senior executives in SL and ST positions, DISES members, and NAF senior executives.
2. SES members are paid at one of six salary levels (ES-1 to ES-6). Rates of pay for DISES members are equal to one of the six rates of basic pay established for the SES. Pay for an SL or ST position consists of six ranges, each having a minimum and maximum dollar amount. The minimum amount for each range shall exceed the next lower corresponding SES ES pay level by one dollar. The maximum amount for each range shall be equivalent to the corresponding existing SES ES pay level. Pay may be set at any dollar amount within this range. Pay for NAF senior executives is set within the pay range for the NF-6 level as approved annually by the DoD Wage Fixing Authority.
3. The authority for setting pay for new SES and DISES members, and NAF senior executives is delegated to the Selecting Official, with the exception of appointments to the ES-5 and ES-6 pay levels, which require prior approval of the UNSECNAV. New SL and ST members will have their pay setting approved by the ASN (M&RA) at the time of approval of the appointment.
4. Pay-setting should take into consideration the following criteria: the duties and responsibilities of the position; the qualifications of the individual and their probable impact upon the position being filled; current pay level; and special recruitment problems. Employees appointed from other Federal pay systems will not be assigned a rate of pay lower than his or her present rate.
5. No senior executive may be advanced to a higher pay rate unless 12 months have elapsed since the date of the last such advancement. An SES member's rate of basic pay may be reduced only one rate at the time of a pay adjustment, and only after a 15-day advance written notice before the effective date of the pay reduction is made to the individual and the UNSECNAV, via the MCCERB.
6. The ACMC has authority to approve pay increases up to and including the ES-4 level. Advancement to the ES-5 and ES-6 pay levels requires prior approval of the UNSECNAV.
7. DC M&RA (MPC) will issue a call annually in October, for nominations for salary adjustments. With approval of the MCCERB, salary requests may also be considered at intermittent times. A

senior executive that has a less than fully successful or equivalent performance rating is not eligible for a pay increase.

8. Nomination packages will contain the following: written justification for the adjustment which reflects the individual's impact on the organization's and the Marine Corps' sphere of influence; a written summary of the individual's executive promotion, pay, performance, and awards history; a current position description; current SES or other executive performance appraisal; a list of comparable executive positions, if any; and an updated biography. SES and senior executive supervisors are responsible for the timely submission of nomination packages.

9. After nominations are received, the MCCERB will convene to review the nominations and make recommendations on salary adjustments. Marine Corps policy is that a single one level increase may be authorized based on such factors as: member's performance; qualifications of the individual; duties and responsibilities of the position and its relative importance to accomplishment of the Marine Corps mission; market place for the occupation; and comparable positions within DON or DoD.

10. The MCCERB's recommendations will be forwarded to the ACMC for approval. The ACMC has authority to approve salary increases up to and including the ES-4 level. It should be progressively more difficult to move up the scale from the lower levels (ES-1/2) to the highest levels (ES-5/6); therefore, increases to the ES-5 and ES-6 should be limited. Increases to the ES-5 and ES-6 levels require approval of the UNSECNAV with concurrence of the DONCERB. Recommendations for increases to the ES-5/6 levels approved by the ACMC, will be forwarded for review by the DONCERB when the annual DON call for nominations is issued.

11. Supervisors of senior executives will ensure that pertinent information is made available to the MCCERB upon request. The senior executives and the supervisor will be advised in writing of the ACMC decision. Pay adjustments will be effective the same date as ACMC or UNSECNAV approval. There is no appeal of the MCCERB recommendations or ACMC and UNSECNAV decisions.

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SES PERFORMANCE APPRAISAL PROCESS

1. Senior executives in DISES, SL, ST, or NAF positions are not included in the SES performance appraisal process. Performance appraisals for DISES members are handled by the DON CIPMS ERB. Performance appraisals for SL and ST members are processed under procedures for the DON Performance Management Program. NAF performance appraisals are processed under the procedures in references (d) and (e).
2. Supervisors must ensure that performance standards are established for each SES member, and that criteria are related to position responsibilities and corporate strategic goals. Critical and non-critical performance elements will be included in each performance plan. All SES performance plans must incorporate "balanced measures" (balancing organizational results with the needs and perspectives of employees and customers) in the plans. In addition, DON SES performance standards must include a mandatory critical element for EEO relating to success in improving workforce diversity, avoiding discriminatory practices, and promoting a healthy work environment.
3. The performance appraisal period for SES members is 1 July to 30 June each year. At the end of the performance appraisal period, the SES member completes a self-assessment and the supervisor recommends a rating level.
4. Performance appraisals for SES members will be forwarded to DC M&RA (MPC) for collection and submission to the appropriate DON Performance Review Board (PRB), which will review the recommended ratings and determine which SES members receive performance bonuses.
5. The DON has eight PRBs. The Marine Corps is included in PRB #1, which is under the sponsorship of the UNSECNAV, and includes SES members from the Navy's Secretariat and Office of the General Counsel. The Marine Corps provides a representative to serve on PRB #1 and PRB #8. The Marine Corps' representative to PRB #1 will meet with CMC/ACMC for guidance regarding Marine Corps bonus recommendations. PRB #8 reviews the performance appraisals of members who serve on PRB #1.
6. The OCHR will notify the Marine Corps of the SES members who receive performance bonuses. After notification, personnel actions will be prepared to effect payment of the bonuses. Performance appraisals will be returned to the Marine Corps for approval of the final rating by the appointing official (ACMC). The appointing official for Marine Corps SES Counsel positions is the General Counsel of the Navy.

AWARDS

1. SES members and senior executives are eligible for a number of monetary and honorary awards, i.e., career service awards, incentive awards, inventions, suggestions, and special acts. Awards policy for NAF senior executives is covered in references (d) and (e).
2. In addition to the above, career SES members are eligible to receive awards for the Presidential Ranks of Distinguished Executive and Meritorious Executive. The Distinguished Rank is given for sustained extraordinary accomplishment and carries a monetary award of 35 percent of base pay. The Meritorious Rank, given for sustained accomplishment, has an award of 20 percent of base pay.
3. Nominees for the Rank Awards must be career SES members and have completed three years of service at the SES or equivalent level. SES members who have been awarded either the Distinguished or Meritorious Rank are not eligible to receive the same award in the following four fiscal years.
4. The MCCERB will review nominations for Rank Awards and make recommendations to the ACMC. Nominations for DISES members will be coordinated by the DON CIPMS ERB. If the awards submission deadline does not allow, ACMC may endorse nominations without MCCERB review. Award nominations are forwarded for DONCERB review and recommendations to SECNAV. SECNAV in turn makes recommendations to the Secretary of Defense whose final DoD nominations are forwarded to OPM and the President. A panel of private citizens selects the recipients of the Rank Awards.
5. Rank recipients will be notified upon completion of the SES performance review process. It is DON policy that members that receive a Rank Award for Distinguished or Meritorious Executive may not receive a performance award in the same calendar year.

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PRIORITY PRECEDENCE FOR SES MEMBERS AND SENIOR EXECUTIVES

1. A priority precedence list for Marine Corps SES members was established in 1982 to help give proper acknowledgment of members for protocol and travel purposes. There is no specific criteria, either in law or regulation, for comparing SES members to their general/flag officer counterparts; however, in 1982, the then ACMC/Chief of Staff, approved precedence codes for Marine Corps SES members for protocol (i.e., seating at conferences, social events, ceremonies, and other proper occasions) and travel purposes.

2. The ES Level, its GO/FO equivalency and the assigned precedence code established are listed below. Note: The lower the precedence code, the higher the ES Level and equivalency.

<u>ES LEVEL</u>	<u>EQUIVALENCY</u>	<u>PRECEDENCE CODE</u>
-	General	3
6	Lieutenant General	4
5	Major General	5
4 and below	Brigadier General	6

3. The MCCERB is responsible for recommending the establishment of priority precedence for CMC/ACMC concurrence and for updating the list periodically as personnel changes occur.

4. In determining priority precedence, consideration is given to the following factors:

a. relative importance of the position within the Marine Corps' organizational structure

b. member's ES pay level or executive salary

c. length of SES or other senior executive service

d. reporting senior (e.g., no senior executive should be listed for protocol purposes as senior to his/her supervisor)

e. comparable DON positions; and unique requirements of the position/incumbent.

3. The priority precedence list is also applicable to other Marine Corps senior executives, i.e., SL, ST, SIES, and NAF members.